

## SPECIAL BUDGET REVIEW COMMITTEE

OCTOBER 4, 2022

A special meeting of the Budget Review Committee was held Tuesday, October 4, 2022, at 8:40 p.m. in the Aldermanic Chamber.

Alderman Richard A. Dowd, Chairman, presided.

Let's start the meeting by taking a roll call attendance.

Members of Committee present: Alderman Richard A. Dowd, Chairman  
Alderman-at-Large Michael B. O'Brien, Sr.  
Alderman June M. Caron  
Alderman Ernest Jette  
Alderwoman-at-Large Shoshanna Kelly  
Alderman John Sullivan  
Alderman-at-Large Lori Wilshire

Also in Attendance: Alderman Patricia Klee  
Mayor Jim Donchess  
Steve Bolton, Corporation Counsel  
John Griffin, CFO/Treasurer/Tax Collector  
Cheryl Lindner, Treasury Management Officer  
Kevin Rourke, Police Chief  
Steve Buxton, Fire Chief  
Dan Donovan, Chief Operating Officer  
Matt Sullivan, Community Development Director  
Tim Cummings, Economic Development Director  
Bryan Conant, Superintendent Parks and Recreation

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### ROLL CALL

### PUBLIC COMMENT

#### Laurie Ortolano

Laurie Ortolano, 41 Berkeley Street. I'm not certain how if I'm looking at this correctly the \$4 million of surplus that's used to take the tax rate down. On top of that, we have this \$7.5 million that's being spent and of course, some of its apportioned and saved to meet our obligation under our legislation to maintain 10% and a balance. I think the shift here - the money that's being allocated for the tax rate reduction is simply too small. 7.5 going to projects and \$4 million to reduce the tax rate is just a wrong way. Perhaps it should have been \$9 million to reduce the tax rate and a small amount left to do some of these projects because I think there's a real need to do that here and now. I don't know if we've ever done a tax rate, you know, reduction on that magnitude but these are extraordinary times where we're seeing quite a shift and largely produced by the fact or the result of not having done a measuring listed many years, having depreciation not calculated correctly within the properties, having commercial properties not rise at the same rate as residential, and having a high inflationary rate. There's a lot of factors here that lead to this as well as a lot of spending.

I'm also a proponent of not worrying about the AAA bonds from the two companies. I think we're weighing that too heavily and nobody's been able to provide a specific data on what happens when you go to a AA bond that the other municipalities have. I for one think that if your bond weight rating came down with an A, that maybe that would keep you from bending so much money bonding if you had to pay a little more for it because we bond like the dickens. There's \$35 million of bonds on the next October 13<sup>th</sup> public hearings for us to vote on and those are all higher level bonds. So, you know, I'd like to get specific information without having to Right-to-Know on what happens when the bond rate changes to AA. I know that in the meetings that wasn't answered by leadership and I think it's worth having answers on that. Thank you.

#### Chairman Dowd

Anyone else that wishes to speak in public comment? Seeing no one, we'll move on.

COMMUNICATIONS - None

UNFINISHED BUSINESS - None

NEW BUSINESS – RESOLUTIONS

**R-22-063**

Endorsers: Mayor Jim Donchess  
Alderman-at-Large Michael B. O'Brien, Sr.  
Alderman Richard A. Dowd  
Alderman Patricia Klee  
Alderman-at-Large Melbourne Moran, Jr.  
Alderman Derek Thibeault

**RELATIVE TO THE RE-APPROPRIATION OF FISCAL YEAR FY2023 ESCROWS**

**MOTION BY ALDERMAN O'BRIEN TO RECOMMEND FINAL PASSAGE**

ON THE QUESTION

Alderman Sullivan

Thank you very much, Mr. Chairman. I'd like to clarify before I asked my big question of the evening but just to reaffirm the math that we had. I believe it was stated that about \$2.5 million put towards tax collection saves about 1% against the tax rate which would be about 18 cents. Could I please get a confirmation on that?

Unidentified Speaker

That's correct.

Alderman Sullivan

Okay. Thank you.

Alderman Sullivan

My big question is I would like to see \$2.5 million come out of this escrow fund and put towards the tax rate to help lower the tax burden for Nashua citizens. I would like to before we get into it, what the appetite of this committee is to do that.

Chairman Dowd

I'm going to defer to Mr. Griffin in a minute. But over the past 12 years that I've been on the board, it's always a question of putting money towards the tax fund – towards the taxes. The problem is if we put more money towards the taxes this year that we don't have access next year, it almost doubles the tax rate the following year. Trust me, we don't want to double the tax rate ever. Mr. Griffin can you expound on that a little more about if we over indulge spending escrows towards to reduce the tax rate how they can get us in trouble the following year?

John Griffin, CFO/Treasurer/Tax Collector

Mr. Chairman, thank you. John Griffin, CFO/Treasurer/Tax Collector. This is what I would refer to as a balancing act of what we're trying to do. There's no question with the difference of growth in the values of our group of residential is almost no solution that's smart or other than trying to do is trying to cut the rate 1%. You're right, 2.5, as the Mayor said reduction as a 1% off the tax rate.

If we do use \$2.5 million of what I refer to it as one time dollars, you're kind of embedding a structural deficit in your budget. So I'm not sure it's going to be a number obviously. The rate is going to be something 18 cents lower but I struggle with using one time revenue to basically take what has been \$4 million for several years and make it \$6.5 in this particular. These evaluations, not the measuring list, but revaluations happen every five years or sooner if the ratios get out of whack. I don't want to digress too much but Portsmouth a few years ago had back, to back, to back revaluations because the ratios are getting way out of whack. So that's - the Mayor and I and the team we studied this issue hard and we think that this proposal - and the reason why the Mayor went over everything again is the way to go at this point.

Alderman Sullivan

So to clarify on that, what you're telling me is that if we took another 18 cents off the tax rate by moving \$2.5 million in there that we run the risk of, and I want to make sure I get this right, doubling the tax rate?

Chairman Dowd

No what happens is if as was stated before, we ask our divisions to be very frugal as they spend their money through the year and they do as the School Department has. Then they have money left that they give back to the city and we have that as escrows. If we put all the money towards the tax rate and gave them nothing for saving it the next year, they're more apt, especially the School Department has autonomy and more apt to spend it all. The other departments will try to get a lot closer to their budget number. Then we have no additional revenues to put towards the tax rate and the tax rate could go much higher because we don't have anything to offset it. We're putting \$4 million this year to offset it. So as you said, it's a balancing act. It's very tricky. You have to be careful because to solve a short term problem, you don't want to create a long term issue. I don't know if that's going to answer your question but I've heard it explain numbers of times by numbers of people that know a lot more about the tax rate and math than I do.

John Griffin, CFO/Treasurer/Tax Collector

Mr. Chairman, just one further clarification. It's not going to double the tax rate. The tax rate as the Mayor indicated 1830, it's not going to double the 36. It's the increase that you're looking at the following year. If you take \$2.5 million and reduced the tax rate, you have to replace that the following year just to break even. It's not doubling the tax rate, it's doubling the rate of increase.

Alderman Sullivan

Unless we modify the budget next year to account for it.

John Griffin, CFO/Treasurer/Tax Collector

You can always do that, that's true.

Alderman Jette

Thank you. So on this larger question, I hear what the people said during the public hearing. I think we've all gotten all received emails from people. This idea that if it's true, somebody said that the average tax increase per household - the average is going to be \$900. When we went through this re-evaluation process, I was telling people don't worry the re-evaluation you have the value on your house may go up. Probably will go up but it's gonna go up on it for everybody. The value that we base the taxes on is going to go up for the whole city. So the value is of the houses are going to go up and that means that, you know, that it'll be split among more a higher value. So the tax rate is gonna go down. So the end result is your taxes are gonna stay pretty much the same. But I don't know do you know is it true that they're going to go up? The average is going to go up \$900 and if that's true why is that? Did the budget go up? Is the budget that we passed for the next fiscal year that much higher than it was the previous year? Can you answer that?

John Griffin, CFO/Treasurer/Tax Collector

Mr. Chairman, thank you. I'm not going to be answering it as an assessing person. I'm going to answer it as the practicality of the situation where we had rapidly increasing sales. We had a disproportionate amount of sales at the lower levels of the inventory. I'm sorry make sure you can hear. I'm not sure how the 910 was calculated. I haven't seen those numbers. No one's average and I've tried to tell you that during the whole budget process. Average is meaningless to me as a taxpayer in Tyngsboro. Absolutely meaningless. I want to know what my value is, and what the tax rate is, and I want to know what it's going to be so I can figure it out.

I was in the gas business for 20 years and we said we can't do any averages because no one's average especially if you use between X and Y therms, you might have a bill increase between 10 and 30. So this here, averages I find very – they're good calculations but you're gonna have just as many people unhappy as you're going to have maybe happy. But the 910, I'm not sure how it was gotten. I'm sure there was a numerator and a denominator. When I watched the Board of Assessors meeting the other day, they haven't finalized everything yet. Still waiting for the results of the informal hearings as well as another big piece of the evaluation.

Another big piece of the assessment is the utilities. So you've got to add that all in but we're definitely going to get to a point where we take the budget of the city and we're going to divide by the net assessment of the city and get a rate. Mayor indicated about 1830. Now we're talking about like the margins. We're talking about taking 2.5 million. I'm not sure what the average is gonna be. I don't know if it's gonna go from 910 to 900. I don't know but I know there's several thousand individual assessments that have been done that are going to affect each and every person individually. So I'm not sure if I've answered the question but from a...

Mayor Donchess

Can I add to that? So to Alderman Jette's question, I mean the problem is in terms of the revaluation that the homes have gone up so much - on average 40%. The commercial properties have not gone up nearly that much. Right now, we're in litigation with Pheasant Lane. It says their value went down. So the commercial properties didn't and Pheasant Lane is the biggest property taxpayer in Nashua. So the commercial properties did not go up as much.

Now, this is a State mandated procedure supervised by the State of New Hampshire and in the end, the assessing firm has to report to the State of New Hampshire and get the details of the revaluation approved by the State DRA in something I believe it's called the use PAP. So according to those regulations, the tax burden is assigned according to fair market value. So if one property owner held 10% of the value of the entire city, that taxpayer would pay 10% of the taxes. This is just hypotheticals. If a single taxpayer owned 1% of the entire fair market value of the city, they would pay 1% of the taxes.

So right now preview revaluation, the homes pay about - and this is based upon their share - they're about 65 about well 65% of the entire tax base. So they pay about 65% of the entire tax burden which we're saying we'll collect on the budget about \$250 million this year.

Because post revaluation homes have gone up 40%, commercial hasn't gone up nearly as much. The proportion of the total tax base represented by all of the homes will go up from 65 to something higher. I don't know the exact figure 69, 68, 70. Something like that. So now the home - and that's based upon the fair market value that we're required to use because, again, homes went up 40%. Commercial property let's say it didn't go up at all or went up were a little, so it's become a smaller portion of the entire tax base. So when that happens, it shifts the part of the property tax burden from the commercial to some degree from commercial to residential. That is the unfortunate effect of the revaluation. It means that people have a lot more equity but as many have pointed out, great. It's good for your kids but for you right now if you're struggling on a fixed income, it doesn't do much for you. Okay you've got \$300,000, \$400,000 of equity in your house. I guess you could get like a reverse mortgage or something but most people aren't going to do that. So I mean you can't spend it. So it doesn't do you any good but that is why the re-val - now the example you gave at the beginning if the commercial property had gone up as much as the residential, yes you're right. It wouldn't affect people's taxes but because the homes have gone up so much - there was recently a report of the 25 most expensive metropolitan areas in the United States for housing. Guess who's on the list? The top 25: Manchester, Nashua metropolitan area. Like I never could have imagined that would ever happened 10 years ago. Now when we are not San Francisco, we're not New York but we're still near the bottom of the top 25 but still in the top 25. Housing because of the demand has become very expensive here and that has driven values up and has affected the taxes in the way I've described.

Alderman Jette

Thank you. So the other question I asked is, you know, the budget that we passed for Fiscal Year 2023 is that the people are saying we're spending too much money. Did that go up substantially over the past over the previous year?

John Griffin, CFO/Treasurer/Tax Collector

If we didn't have a re-val., the budget went up slightly less than 4% as an increase.

Alderman Jette

The budget we passed was above (inaudible).

John Griffin, CFO/Treasurer/Tax Collector

23 year, right. Correct.

Mayor Donchess

But what I'd like to emphasize is that we're trying to save money in various ways. I mean you've approved all these things

and thank you for doing it. We instituted a new health plan. That's saving \$3.9 million a year. Now doesn't mean that health care costs went down, it just means they stabilize to some degree. The thing I - the electricity contracts we've got that I mentioned to you the other day mentioned to the Board the last time we met, saving the city millions of dollars in electric costs right now as opposed to the 22 cents. You remember we cut positions out of City Hall. One year we cut City Hall's budget by 3% not including the cost of pensions which the State raised. In meantime, the State's raising our costs. So we should do everything we can to save money. I think we've done and we have done things to save money but it certainly doesn't save us from the effects of the revaluation.

If we cut \$10 million out of the budget, yeah the tax \$10, \$15, \$20 million but you know look for \$10 or \$20 million out of the tax – where are you gonna get that? Close a school? Close a few fire stations? Lay off 100 police and firefighters? Where would you get that kind of money?

Alderman Jette

My comment was gonna be if the budget - I mean to the people who think we're spending too much money if the budget went up 4%, think of what the rate of inflation is with the salaries for all of our employees went up about that same amount. The amount of money that we have control over is not that great. People in my Ward are asking me, for example, this is a small item but somebody said hey our sidewalks are - we have sidewalks but we have to walk in the street because there are bushes, trees encumbering the sidewalk. I called the Board of Public Works and said can you go take care of those trees? They said no. I'm sorry Alderman Jette we don't have the money for that. We don't have that in our budget. So you know, there's a lot more money we could be spending on very necessary things that we haven't. I understand the expression of people saying that they're afraid that their taxes are going to be too high. I'm afraid of that for you too. I just don't know what we can do to ameliorate that situation without making it worse in the future. I have more questions but I just wanted to get that general thought out. Thank you.

Mayor Donchess

Mr. Chair?

Chairman Dowd

Yes.

Mayor Donchess

I mean people can estimate what their taxes are going to be by using the figure of the approximate figure of \$18.30 per \$1,000 and multiplying it by the number of 1000s in their assessment. Again, you know, if it were up to the city, this would not be the best time to do a revaluation. If people had mentioned that if housing prices go down, what are we going to do? Well I would say we go for not this full measure and list but if housing prices went down and commercial did not, we could go for another revaluation more quickly to try to readjust the relative burden between commercial and housing. But we have to see if that that happens. It might not.

Alderman Jette

Thank you.

Alderman Klee

Thank you, Mr. Chairman. I want to add to something that my colleague to the left had mentioned. Up in Concord I always fought to get more money sent down to the municipalities. I wanted to see it go down there. When we finally were able to get some to go there, I thought oh good we can reduce the tax burden on it. I was quite excited about it and so on until I was taught that when we do that, what we do is we do hurt them in the long run because we take this money away from them that kind of like giving them a rebate and the next year say no, we're putting your tax rate right back to where it is and no wins ready for that. As I think someone mentioned about the escrows, the escrows don't understand it too so that becomes all estimated and it becomes quite confusing and so on.

One of the things that we did a couple of years ago, maybe it was last year if I remember correctly, we did some major cuts in City Hall. I think the Mayor mentioned the 3% City Hall cut. I know that some departments such as Director Cummings' department lost a position and many of them did that. So they had to do the same job with less people and they kind of hobble along for a year but we can't sustain that. We can't keep making cuts to these departments and say

you still have to continue doing that. I'm not going to get into any other things but there's also other burdens that have been put on them in addition to their regular jobs. So the more cuts we make, they're unsustainable and we have to just kind of go with the flow.

I agree. I would love to give the \$2.5 million. 18 cents is 18 cents. Every penny counts. I know that the home that I live in it's going to be about \$1,000 or more a year for that particular property. I know my utility bills went up almost tripled in one month. I understand that the burden. I think we all understand the burden and we're not trying to hurt any of the taxpayers but to do something right now that would be in a large amount, in the end, we're going to hurt them the following year because I don't see the economy changing much. Then what are we going to do? And yes it would be nice to be able to say oh we'll just cut, you know, the \$2.5 million next year from the budget but the problem is inflation goes up. The more we try to cut from the budget, again, we're just hobbling ourselves and it's unsustainable.

To the comment to my colleague on my right here, someone once told me that if all waters rise equally so that the boats float, I know I miss said that but if everything went up the same, we would not see any changes but the problem is, and I think one of the speakers had mentioned that, the smaller homes increased significantly. Larger homes maybe not so much but the businesses actually kind of went down in value. I think that's kind of the point is that to the Mayor's point that we go from 65% of the home is being the tax burden up to 69, 68, 70. Even if it's only 66%, we're seeing that it's shifting more and more. Maybe things will change. Maybe the housing market will change. They said it's slowing down with the interest rates going up but I don't see it slowing down around here. So we may just be a little slower on that. When that happens, we can do another valuation much but what Portsmouth did, I think they did three or four years in a row. They did that. Maybe by doing that, we'll see a change in the businesses going up and the housing market kind of staying about the same.

I think if we if we give the \$2.5 million towards the additional \$2.5 million towards the taxpayer and not fund some of these items - and I don't think of these items as being fluff. I looked at every single one of them with quite an interest. To a comment that my colleague from Ward 7 had mentioned about the Greeley Jackman Trust Fund, I think when we saw the proposed budget there was 73 in there. I know that's been decreased because of monies that they put for the stage and so on. So I think it's a lot less than what we had expected. I agree with you, we should look at that fund when we need to look at things for Greeley. We shouldn't just forget that it's there which I think has happened in the past. But I do think that we have to look for every other option and that's why we have a grant writer, and that's why we have our Energy Manager, and so on. I think the city is going in the right direction.

To the comment of the police wanting the two extra positions, I have to admit coming in here I knew that they had lost positions. If we don't allow them to have these positions, it doesn't mean they're necessarily going to spend them, they're just requesting that we put the money towards there. If they don't spend that, that's going to come back to escrow the next year and so on. But if they did get up to compliment as they had done for those two weeks, it gives them the ability to do everything that they have. Maybe the point that was made that we should work together can the police and fire handle all this growth? Yeah that's a nice idea but I don't think practically it can work that way. I think we have to take opportunities and we can't tell some business you can't build a housing complex because we don't have enough police or fire. It's not the city that's necessarily building those things. So we have to keep that in mind. We can't tell outside contractors, you can't grow because we don't have police and fire. We have to grow with them and not the other way around. Thank you very much.

#### Chairman Dowd

Thank you. By the way, the Police Department has 13 openings but they've got seven people in a pipeline coming in to fill those. Chief Rourke took the position of putting a person in charge of recruiting and that's - correct me if I'm wrong Chief - but that's working out pretty well. They will be able to get up to full speed.

#### Alderwoman Kelly

Thank you. So my question is around the CERF. I think that obviously having money in there is really important. We're always at a deficit. But my question is if we don't put it in there, oftentimes we've just used it as emergencies have come up. So what's the effect of actually putting in there or just using it if a fire truck breaks?

#### Chairman Dowd

It's hard to hear you. You have to bringing your mic closer.

#### Alderwoman Kelly

Is that better? Do you want me to repeat my question?

John Griffin, CFO/Treasurer/Tax Collector

I did hear it. I heard the comment. Just briefly. When CERF was first what I would say reconfigured back in 2010 when there was a study on vehicles, the objective was to put the amount necessary to not only pay for what you were buying in a particular year but adding to it. As the years went on, spending cap was really a noose around our necks in several regards. But when you have 1% inflation, 1 ½% inflation, you can't spend much.

So I'll see if I can be a little clearer. The money that we're putting in and recommending to put in this year allows us to go in Fiscal '24 with the general fund, the bonding, and the grants and give you folks the confidence that when you're approving that one page, we have the money to pay for the vehicles. All right. We've put \$3 million in last year, put \$3 million in this year. We have a balance. But as I mentioned, some balances at a point in time is only because they haven't purchased the cruises. They haven't purchased the dump trucks. They haven't purchased things. So we're getting by with it. It probably needs a one time, you know, \$20 million injection which we don't have.

As I said, the team that meets on the CERF vehicles, they work together and they really look and see is there enough mileage on the patrol pursuit vehicles to buy another one or can we save a little bit there? The dump trucks how are they doing? You've heard from Mr. Conant what happens when you don't replace something since 1986. Really not going to work effectively. So don't look at it that we're - I mean what happened is I'd have to tell you at the beginning of next year's budget season that you don't have enough money for the stuff that you're approving. So are you going to put it in the budget, or we're going to wait for next year, and then use those next year? So we kind of have a good system now that we're actually able to afford. Most of the things that are unnecessary and a targeted for replacement - every single vehicle is described and has a date that it needs to be replaced. It's different than the amortization of the life of the vehicle and then you fund it. Like if you had a vehicle that was gonna last 10 years for \$100,000, you'd put \$10,000 in a year. They redid it. We make sure we have \$100,000 we have to replace it. It's an important step.

As the Mayor said, we've tried that before. When I first got here, the packers picking up the trash and things were just in deplorable condition. They looked like the vehicles that you see that aren't owned by the city, right? Dump trucks, you know, the body's falling out of the back. Fire trucks are great shape but some of those ancillary vehicles, you need to replace all those things because you're paying for the staff to do – you have to have a combination of the infrastructure, vehicles with the staff to use them. Hopefully I answered your question. I'm not sure.

Alderwoman Kelly

You did. Thank you.

John Griffin, CFO/Treasurer/Tax Collector

Okay, thank you.

Alderman O'Brien

Thank you Mr. Chairman. I just wanted to state if I may that I am going to support this. I know to some out there it's got to be woefully short of what they're going to anticipate but it's something. It's better than nothing because we have a municipality to run like it or not but we've got a city to run. You got to remember the long history of 25 years of a spending cap. What do you think nothing went wrong and 25 years? Look at our current infrastructure. We discussed briefly the Stone House at Greeley Park. Was it lightning last week that made that roof in bad repair? The answer is no. It was many years or perhaps maybe it was somewhat salvageable. Some minor repair work. It was never done. Right now as your Chairman of Infrastructure, I'm looking at other facilities that need some tender loving care that's going to take some investments.

I'll use again 14 Court Street. Again, no hurricane below that 14 Court Street over. I mean how many years of neglect and now it's going to take an awful lot of money to repair that. I, myself, had the opportunity to serve as Captain of Crown Hill Fire Station - the old one on Arlington Street. Every single time it rained out, water would come down to a walls. I would not let my dog live like that but four firemen per shift did. I'll tell you, I had dole one nays in my locker. If you don't know what those were, those were a little steam bells that you needed to replace the steam to keep the heat running in the place. It was shameful. Those were during the years of the spending cap.

So again, I apologize. I would like to make everybody happy but I keep in mind that the city as a whole has its needs. We

all come up we want a better park for our kids. Well it costs a little bit of money. Everybody comes up with their favorite project. Now I've seen some of the emails. They're pet projects. I don't think any of them are. It establishes ourselves to the quality of the city that we'd like to live and work in. I'd like to have the lights work on the bridge. I think it does look nice. Particularly if they're going to be green on St. Patrick's Day, I'm all about them. But the thing is how can we have that and that's not really a big luxury. So try to amend it, trying to make it fair to everybody else I support this. Is it everything that the taxpayer might want try to help them out? No. I want the taxpayers to understand I'm like them too. As far as I know the fact that you're all sitting here in this chamber, you're city residents too and you pay your fair due of taxes. Nobody gets any special benefits for sitting in this horseshoe. So what affects the people out there affects us all. So again, I think this is trying to balance many quality of life issues. Maybe we may not get it 100% right but I think we do try and I'm gonna support this. Thank you Mr. Chairman.

Chairman Dowd

Anyone else?

Alderman Sullivan

Thank you, Mr. Chairman. First a question. If we were to amend this Resolution, would we do it similar to what we did back as we were going through the budget workshop line item by line item or is it simply an off the top amendment?

Chairman Dowd

Somebody correct me if I'm wrong but I think if you wanted to reduce the escrows and apply it towards the tax rate, you would have to say which lines you were going to get that amount of money from.

Alderman Sullivan

Okay.

Chairman Dowd

And then it will be voted on.

Alderman Sullivan

Right. Understood. Can I have a follow up comment? Thank you. I am not going to support this as it is. We went through six weeks of budget process where each and every City Director, many of which were here tonight, came up and explained to us their Department, what monies they needed to fund it, and to keep the City running. I at that time, I had put in some budget cuts about a million dollars that I would have liked to have seen come out of the general fund. Didn't pass, we have the budget.

These funds that we're talking tonight are over and above what we approved. From what I'm hearing is in some cases, it sounds like we're trying to make up for years where we haven't funded it adequately and we're trying to play catch up. To that, I would say not great timing because I think when it comes to a budget that we've funded to keep the city up and operating, that's where the teachers' contract approved, fire, police. School budget has their budget. That's all set. We passed it. It's now running. We're one quarter into it. This is over and above. I would say at this point it comes down comes down to prioritization of where we want to put these dollars. I think at this point where we have this, we return it back to the people. I don't think it's a question of whether or not we're funding the city to an adequate level. We did that. We approved it. It's done. I don't think we should talk about that. This is over and above. I think there's \$2.5 million in here that we can find and give back to the Nashua taxpayer. Thank you.

Chairman Dowd

Just one clarification.

Alderman Sullivan

Sure.

Chairman Dowd

This is not an add to the '23 budget. This is '22 budget money.

Alderman Sullivan

I understand that.

Alderman Kelly

Don't want to belabor this. I'm going to support this as well but I did have one question on the Court Street roof replacement. I'm not sure who could answer this. The way I'm understanding it is that there's extra leftover from doing that roof. I'm just wondering where we're putting it into the city buildings trust instead of the trust we just set up for Court Street.

John Griffin, CFO/Treasurer/Tax Collector

I can tell you. You're absolutely correct. The prior funding was for the roof. The roof has been completed. So whatever was left in crafting the proposed resolution, we're trying to put, as the Mayor indicated, trying to put funds in the city building trust fund. Not necessarily in the Court Street Trust Fund. It's going to City Buildings Trust Fund which is there to assist when necessary the myriad of city buildings we have.

Alderman Kelly

I understand. We just talked at length about the Court Street Trust Fund and I don't think there's any in there. So if it was originally allocated to them, would it make sense to at least leave some portion of it in there? Because we spent time coming up with this trust fund? I don't believe there's anything in it or there's very little of it if you could remind me.

John Griffin, CFO/Treasurer/Tax Collector

My recollection is we set the trust fund up to fund a small amount. I believe it was equal to the revenue that was generated. Then we also funded a strategic plan for the facility. So I think those are the correct. There was a nominal amount. It wasn't anything close to what had been provided for suppression and roof replacement.

Chairman Dowd

I believe that the monies that were done put aside for the roof were was a bond. I think we did put an

John Griffin, CFO/Treasurer/Tax Collector

It was cash.

Chairman Dowd

But it wasn't part of the monies that we put into the trust funds?

Mayor Donchess

No, it wasn't. I think it was a previous escrow is where it came from.

Alderman Kelly

I asked a question. I'm not sure we answered it.

Alderman Klee

Thank you again, Mr. Chairman. A couple of things here. First, I'd like to say that I really would like to make sure that you do fund the emergency management position. I had reached out to Justin for a number of things from simply someone who needs housing, or shelter, or even different types of cooling areas, and so on. It was nice to have that one person not having to go to this department for that or and try to chase our tails. But in the big picture when COVID hit, I had a long conversation with Director Cates. One of the things that as good as we were with COVID, he had noted that we had some shortfall in that we had the building that had a lot of the PPE stuff and so on but that had expired. He was in the midst of

creating a plan that would make sure that when this happened, it was nice to have a central position that could take everybody. You had the emergency meetings that went through and it brought all the departments together. Not each department stepping on each other, and crisscrossing, and so on. It was nice to have a coordinator that made sure that the city was safe and all of those things.

I'm just bringing up COVID because it hit us as it did the entire country. While I think we were prepared to some extent, no one was truly prepared for what we were going to be facing. I think it was a lesson learned. I would hate to see that lesson learned be dropped because we don't have that centralized person to do that. So I did want to make a comment to that.

To my colleague across the way there, the comment of the City Building Trust Fund versus the Court Street Trust Fund, I had the same question. I think much of what was said by – sorry, my mind goes in and out every now and then - but the funds were supposed to be for not mistaking from the revenue generated from that building. We didn't say that we necessarily would always put that fund in there. Every year, the Board of Aldermen could state that we would put that in. I think we did state that we could put more and if we wanted to. Correct me if I'm wrong, one of the things that happened was the Hunt building had a devastating issue with their boiler and so on which goes beyond their trust fund's ability. So the city had to kind of step up. So some of these funds go to help recoup some of the monies that were taken out of that trust fund. Am I correct? Did I understand that properly when you were discussing it?

John Griffin, CFO/Treasurer/Tax Collector

Yes. The Mayor mentioned the \$90,000 to \$100,000 boiler at the Hunt. That comes out of the City Buildings Fund.

Alderman Klee

Right. So this will kind of help rebuild that that City Building Fund and so on. So I mean while I agree that I'd love to see that money go into the Court Street Trust Fund because we talked about building it up but it would take five or six years before we could finally get it up there, I do understand that it does go into the - it is probably better suited at least at this time to go into there. But I would like a little clarification. When we did put that through, we said that the funds would be generated from the revenue earned there. We would determine how much of that would actually go in every year. Correct? But I don't think we left an opening that we could just put money in there.

Chairman Dowd

We're getting a little left from the escrow.

Alderman Klee

The only reason I'm asking that is because of the question of putting the city building the money in there versus in the Court Street. That's the only reason I'm asking for clarification but if you prefer me to hold that question out to another day, I don't have a problem.

John Griffin, CFO/Treasurer/Tax Collector

Well I could - Mr. Chairman, I can make a quick thing. It should be based on the revenue generated. It's your choice. It transfers in to the expendable trust fund with a Board of Aldermen vote.

Alderman Klee

Thank you.

Alderman Jette

Yes, thank you. So at the beginning of the presentation - I don't know if it was the Mayor or CFO Griffin talked about the source of this escrow money, you know, is a result of excess revenues and then fewer expenses or the expenses were less than what we had budgeted for. So do you have a breakdown? When you say excess revenues that means the money that we collected for the last fiscal year was more than we anticipated. Do you know how much that was?

John Griffin, CFO/Treasurer/Tax Collector

Yes, Mr. Chairman - \$5.2 million. Revenues over budgeted revenues.

Alderman Jette

Okay.

John Griffin, CFO/Treasurer/Tax Collector

You can't re-appropriate revenue just rule of thumb. You re-appropriate appropriations that haven't been spent for a certain other purpose.

Alderman Jette

And the expenses less than the budgeted amount, do you know how much that was?

John Griffin, CFO/Treasurer/Tax Collector

I believe it was but before we did all of this and this, about \$13.6 million.

Alderman Jette

We spent \$13.6 million less than we had budgeted?

John Griffin, CFO/Treasurer/Tax Collector

Correct.

Alderman Jette

I have more if I could? I know that Director Cummings is probably waiting for this question but the \$74,000 for outdoor dining. Could you explain that to us? What is that?

Tim Cummings, Economic Development Director

Thank you, Mr. Chairman. The reference was for \$74,000. I believe that was a prior year escrow and this year's escrow is \$50,000 I believe.

John Griffin, CFO/Treasurer/Tax Collector

Just to clarify, the sum of the prior year money plus the new recommended funds is the \$74,000 amount.

Chairman Dowd

Do you want to restate your question for him?

Tim Cummings, Economic Development Director

Just that. Yes, so I'm sorry. So I just wanted to clarify. So the \$74,000 that would be to cover the outdoor dining over the next two years.

Alderman Jette

I know it says outdoor dining, but what are we going to be spending the money on? What are we doing for outdoor dining?

Tim Cummings, Economic Development Director

You have to put the barriers down and pick them up.

Alderman Jette

Okay. So you said that we adopted that for three years. I don't remember that we did it for three years. I thought it was a year at a time. If you knew it was for three years, why wasn't it in the budget? Why do we need \$74,000 from escrow as opposed to - why wasn't that in the budget?

Tim Cummings, Economic Development Director

I'd be happy to do in next year's budget. Doesn't matter to me. I think because it was a temporary measure where I knew it was a resolution for just a three year period, I thought it would be appropriate not to build it into the operating budget. But if it's the preference of this body for it to be built into the operating budget, happy to do it differently next year.

Alderman Jette

Okay. I mean just as an aside, I think we on the committee, at least I on the committee, was expecting a report. I think you committed to doing a report on how things went this year - numbers of people, what is the economic impact because a lot of people questioned whether its money well spent or not. So I think we need to - if we think it's money well spent, I think we need to substantiate that. So I was waiting for a report before we decided to do it again. But thank you for your answer.

Tim Cummings, Economic Development Director

If I may Mr. Chair, I just want to be really clear. The legislation passed, passed for three years. So that if point of your statement, I want to just make sure there's no misunderstanding here. They're the resolution or the ordinance I think it technically was gave a window of a three year period for the narrowing of Main Street with the dropping of the barriers. Now there needs to be a complementary funding source to make that happen and that's all that this was trying to accomplish.

Alderman Jette

I understand what you're saying and I'm not - if my comment was interpreted as a criticism, I didn't mean it that that way. You're right. It was for three years but the Board of Aldermen can change that at any point in time. So we could reverse that. You're right, it was and I understand you're trying to plan your finances.

Chairman Dowd

Additional questions Alderman Jette?

Alderman Jette

No, thank you.

Chairman Dowd

Anyone else?

Alderman Wilshire

Thank you. Just to the committee and anyone listening, the department's - we passed the budget that the departments asked for but there was a directive from the Mayor to come in at 1.3, 1.2, whatever it was for each department and they did that. But that doesn't mean all these things weren't what they wanted to put in their budget but they just couldn't. So this is, you know, they held the line, they ran their departments, well they gave money back, and now they're trying to put it towards those projects they felt they needed in the first place.

Chairman Dowd

Any other questions? All right motion on the floor is to recommend the full Board final passage of R-22-063.

**MOTION CARRIED**

NEW BUSINESS – ORDINANCES - None

TABLED IN COMMITTEE**O-22-019**

Endorsers: Alderman-at-Large Ben Clemons  
 Alderman-at-Large Michael B. O'Brien, Sr.  
 Alderwoman-at-Large Shoshanna Kelly  
 Alderman Alex Comeau  
 Alderman Richard A. Dowd  
 Alderman Derek Thibeault  
 Alderman Thomas Lopez  
 Alderman Patricia Klee  
 Alderman-at-Large Lori Wilshire

**CHANGING THE DOWNTOWN IMPROVEMENTS FUNDING PLAN**

•Tabled at 7/25/22 meeting

GENERAL DISCUSSIONAlderman Jette

Thank you. I just want to explain that I voted no because, you know, I've said it before. I have trouble understanding the way that we end up doing the budget. We spent a lot of time as Alderman Sullivan pointed out, we spent a lot of time going through the budget. There were negotiations between department heads, and the Mayor, and then with the department heads, and the Mayor, and the Budget Review Committee, and then the Board of Aldermen and we came up with a budget. This escrow money is, you know, its \$5.5 million of taxpayer dollars. The tax revenue was more than we had budgeted for. It was unanticipated. If we had been - I suppose some people could argue and maybe that if we were better at predicting it, the tax rate could have been reduced by \$5.5 million for that fiscal year. Then we spent \$13.6 million less than what we had budgeted for. Now I think you talk about budget directors doing a good job and they do. They do a good job. I don't mean to take that away from them.

But I think the \$13.6 million was maybe a result of the COVID money that we received, the various federal programs that brought money to the city where we could, you know, end up spending less. So this is really, I may be wrong, but my interpretation is that this is found money. I think we could have done a better job of returning more of that to the taxpayer, especially in view of what the tax is looking like now. The items that are - with few exceptions - the items in this list I mean they're all worthy programs. They're all things but during the emergency management guy, I remember during the budget thing I questioned don't we need that position? Why are we not funding that position? The answer was pretty much well we don't need it. Now it turns out well we do need it. So we're going back to try to rectify a mistake that we made by not funding it in the budget.

But there are a lot of other things that are worthy programs and worthy expenditures but they're being judged after the fact. They're not competing with all of the other needs of the city that are presented to us during the budget review process. I've said that before and it's been explained to me well, this is a way we've always done it. I can't argue that the city is a well-run city. We get awards all the time. So I think the people who are running the city know what they're doing probably a lot more than I do. But I still have that question that why are we collecting so much money from the taxpayers when we continue to have a surplus? It seems to me if we did a better job budgeting or on the other hand, department directors ought to come to us and say what they really need and not be reluctant to tell us what it really costs and what they really need to run their departments and not say that the budget that they're proposing satisfies them. Then when we have the surplus, all of a sudden we've got all these projects that come up. So I know other people on this Board and certainly people that have been working for the city have been doing it a lot longer than I have. They're a lot more experienced. They probably know a lot more about this than I do but I felt compelled that was my opinion and I felt compelled to express it by my vote. So thank you.

Chairman Dowd

Just a couple of quick things. As Chair of Budget, I get involved with each one of the departments and division directors. They take a budget to the Mayor. Trust me the budgets that they come into the Mayor with is higher than what the Mayor presents to us. They come to some kind of a compromise and agreement. A lot of the Division Directors work for the Mayor. So read that as you will.

The other thing is none of the departments can end the year in a deficit. If they got to a deficit, we would have to transfer money from one department to another or reallocate additional funds and we tend not to want to do that. One year the

School Department did that. Believe me, it was a brew ha-ha and the Board of Aldermen had to authorize more money for the School Department in addition to the budget.

The other thing is as we go through the year, things change and I think the Emergency Management position is one that they reevaluated over the year and that's why they brought it up. So it's not as clear cut. I mean we could have, you know, if you want to bypass the Mayor and have the Division Directors come in and tell us what they want, you would see it's much higher than we get from the Mayor. I know. I talked to them all but we get a Mayor's budget and then we do with it what we do with it. We can add to it. We can take things away from it or we can pass it as is. So the buck stops with the Board of Aldermen but that doesn't mean that the departments are getting everything that they originally wanted. They think some of that police equipment might fit into that as an example.

So any other general discussion?

Alderman O'Brien

Yeah I'd just like to say thank you Mr. Chairman. I would just like to say that I can understand Alderman Jette and his comments. I think Alderman Klee would understand sharing the wild 400 that exists up in Concord. I think Alderman Klee will tell you how we tried to remedy and try to get some of the State's surplus which this year is phenomenal. Phenomenal - and try to get 7.5% back into the pension system which would have meant to the taxpayers of Nashua a savings of 1%. I could not pry that away from their little spiny little thing fingers yet we hear, if you believe the truth from the Police Chief which is by Linda's law – any testimony can't lie - there is a problem with the pension system and retaining people both in police and fire. Trying to fix it but there's a complete stone wall up there. Until that stone wall gets depleted, I don't think we can see any remedy even including in the tax rate to come filtering down from the State. It's shameful because one's gotta realize Nashua and Manchester are 35% generators to the State economy yet they treat us like the unwanted system. Thirty-five percent. That's nothing to sneeze at. Yet you try to go up and all you hear from some of the Reps. oh here comes Nashua again. It's kind of sad. So I hope that does get remedied in the upcoming elections and we'll see.

Chairman Dowd

Anyone else for General Comments?

Alderwoman Kelly

I just want to echo what Alderman Wilshire and other colleagues were saying that our departments came in, they ran their departments efficiently, and came back for things that if you look at these we all sat here for three hours. Nothing was frivolous. Everything is in part of running this community in an efficient and fair manner that allows us to be the city that we are. So thank you to all the department heads and this Committee for going through this process.

PUBLIC COMMENT

Laura Colquhoun

Laura Colquhoun from 30 Greenwood Drive. I think you're all friggin delusional. Number one, you have candid the budget. You can just tell by Court Street it started at a \$750,000, went down to a half a million dollars, and actually settled get a bill done for \$150,000. So the difference in those amounts of money you guys could spend on whatever you want. The problem we have in Nashua is we don't know how to cut our expenses and that is a problem. Our tax rate wouldn't go up if we didn't go crazy and spend all this money but you guys just go ahead and spend it, spend it, spend it. You know what, it's going to come back to bite everyone in the ass and I'm gonna laugh.

As far as your pensions go, I hope they go right down the toilet because there's a lot of people in Nashua that DON'T have pensions. So if they go down the toilet, I'm going to sit there like that. Thank you.

Unidentified Speaker

Wow.

Chairman Dowd

Anyone else for public comment?

Laurie Ortolano

Laurie Ortolano, 41 Berkeley Street. A couple things. I think this administration owe this Board some better numbers on what averages were. Alderman Jette asked some good questions and, you know, it was said by the administration we don't really look at averages. We look at individual ones. Vision runs all these numbers based on means and medians. It's all averages or midpoints separated by top and bottom. That's how the numbers are run.

Now I look at a little street next to Manchester Street over in the north end that has 11 homes on it mixed with some 60s, 80s, and a couple conventionals. Their assessments before Vision came in 266, 233, 182,000, 199,000, 211,000, 383,000, 270,000. That's the range. Now Vision's come in and set the numbers. These 11 properties have gone up or down by this amount - \$1,000, \$860, \$430. One home is down 111. Only one dropped. \$1,150, \$800, \$1,800, \$1,500, \$1,700, \$1,300, and \$700 for an average for those 11 homes of \$1,012. That's a big increase and you should be able to know that right now because your administration gave you enough information to know that. To have you sit in this meeting and say, I don't know if this is really true, is what they're saying true, somebody should be able to confirm that. I don't come up here to paint lies but it's so simple. This is simple math.

Regarding the barriers and the \$75,000, I'm glad it was asked. I am deeply disturbed that Director Cummings has now taken the position that he didn't get any data this year. They didn't do it. The answer to him and your question on are we gonna come back with a report? There is no report because he took that ordinance that was approved for three years and his statements last year that he do the data, he threw it in the trash and didn't do it. Michael Buckley said I want you to get data. Enough citizens came out and wanted data. Go gather it. They didn't do it. So I gathered data. They don't have any and the belief that we've approved it for three years and therefore it can't change, you can resend it. I think it should be revisited and you got no data. You got Alderman Dowd saying, oh is wildly popular. Yes certain days it was busy. He was very underutilized. People actually don't have money to go out.

Alderman O'Brien

30 seconds.

Laurie Ortolano

I don't know if you've noticed that. People don't have \$100, \$150 to spend on a night out for dinner anymore right now. They just don't have it. So, you know, I think that this Board was not given the information it should have been given and I think you are missing what's going on here. This spending - your Assessing office the budget in there, what a ridiculous budget. Makes no sense at all. It wasn't frugal. It doesn't even make sense.

Alderman O'Brien

Time.

Chairman Dowd

Any other public comment?

Tim Sennott

Tim Sennott, 62 Underhill Street, Nashua. I'm sorry to keep you here in additional three minutes. Nobody likes paying taxes. I hate paying taxes. Hey, pay my phone bill. I'm not a rich person either. My wife and I are both mid salary accountants. We have 950 square feet in Crown Hill, which amounts to about \$1 per square foot that our taxes are gonna go up next year.

But I look at why I'm here today. I'm in Nashua in 2022 after deciding in 2016 that I didn't want to own my condo in Ward 2 anymore. No offense Alderman Dowd. We looked at a lot of places. A lot of places. We looked at Hudson, Milford, looked at entering the rental market so we can live in Rye and we came back to Nashua because even though my taxes go up, my son goes to a good school with a responsive staff who care about him and care about his development. I live in a neighborhood with good neighbors, good parks, good pools. We had a pool right around the corner from my house. How cool is that and they're fixing it. We got a baseball stadium, minor league baseball team. I took my son to his first baseball game this summer. All of this I see as a return on my investment in my taxes and they're going up \$950 next year. That sucks but I'll get by because I'm getting money or I'm getting a return on the money I'm giving to the city.

I think the list of items that you approved tonight, they're money well spent. Its money back into the community. You know we heard the term "pet projects" thrown around quite a bit.

Alderman O'Brien

One minute.

Tim Sennott

Yeah maybe one that I've been on record as being supportive of but sorry it's is pretty cool. I drove down Main Street the other day. I didn't notice the barriers were up first. That's out much traffic impact I think it's had this year. So you know, thanks for the work that you did tonight and thank you for the dialogue too.

For the folks that dissented, it's needed. The questions are needed. That's how we get to a better run city.

Alderman O'Brien

30 seconds.

Tim Sennott

That's how we get the awards that Alderman Jette referenced. I agree. I think we're on the right track and I'm happy to be here. That's all I wanted to say. Thank you.

#### REMARKS BY THE ALDERMEN

Alderman Caron

I wasn't part of the budget process but I'm well aware of what goes on. As far as all of these escrows, I wasn't too happy with some of them and I agree with Alderman Jette and Alderman Sullivan, especially the money for the Emergency Director. Why wasn't that put in prior to? They must have been talking about it before this but be that as it may, they put together escrows on the things they felt were important for the city to keep moving. So do I like my taxes going up? No but as the last speaker said, you're putting back to your community. So if you don't like what's going on here, you can always go somewhere else.

I get very offended, and I'm sure Alderman O'Brien does, yes city employee get a pension but it's not free. They had to work for it. They had to pay into it. When I joined, and that was a long time ago, we got involved with it - the city got involved because of the State making a promise of paying 35% to that pension plan. That's how all these communities, especially the big ones, got involved. So the State renegs and the city suffers. That's not on the Board of Aldermen. That's on the people up in Concord. They need to rectify and make things.

Alderman Jette I know one of the questions concerning revenue, I don't think that when they put in the budget how much money they're going to make on registration of vehicles that it would go up millions of dollars rather than maybe a million. So I think we'd get very surprised at that and that gets put into our escrow account to be utilized. But if we give too much money to offset the taxes, then people will think that we should be able to do that all the time and that isn't always possible because things changed. We're looking at recessions, inflation, things like that. So I think it's very important. I agree I would have loved to have put in another \$2 million or \$3 million but realistically, the \$4 million that we've been doing I think has really helped. If things go south, I think that the city should do a re-evaluate, again, to make the changes that might be necessary. I think the 15 people here along with staff try to do the best they can for their community to provide all the services that people expect as living in this great community of ours. Thank you. My three minutes is up.

#### ADJOURNMENT

#### **MOTION BY ALDERMAN O'BRIEN TO ADJOURN MOTION CARRIED**

The meeting was declared closed at 10:03 p.m.

Alderman Michael B. O'Brien, Sr.  
Committee Clerk